

12 January 2023

Austin strengthens executive management team, increases North American focus

Austin Engineering Limited (ASX: ANG, Austin or the Company) is pleased to announce changes to its senior management structure as the Company looks to grow its North American business.

Current Chief Operating Officer (COO), Graham Backhouse, has been appointed to the new role of Chief Strategy Officer. The role will primarily concentrate on developing a growth strategy for Austin's North American business where Austin is focused on increasing market share for haul truck trays and in particular, mining buckets, following the Company's acquisition of Australian-based Maintec in 2022.

In the last 18 months, following several operational changes, Austin's North American business has seen much-improved EBITDA margins, which are now at record levels. The North American order book has nearly doubled since a similar period last year further reflecting the success of those operations and highlighting the potential in this region.

Austin's central North American hub is located in Casper, Wyoming. It is a large manufacturing facility supported by multiple final assembly partnerships. North America is a major global market for mining equipment and Austin sees the potential for further substantial revenue growth across its existing equipment offering, plus Maintech's products, including in its high value dipper bucket products.

Mr Vincent D'Rozario has been appointed as the Company's COO. He will continue to drive the Austin 2.0 growth strategy across the business and further embed the operating model that has seen substantial increases in delivered margins and order book across the business.

Mr D'Rozario has held a number of executive positions and senior roles in a diverse range of sectors including engineering, commercial aviation, major project delivery and environmental and waste management solutions. Most recently he was the Regional Managing Director APAC for CHC Helicopters, overseeing services to mining and energy companies and State and Federal Government entities.

He is currently a Non-Executive Director of ASX-listed The Environmental Group, which provides waste and environmental solutions to the resources, health and heavy industry sectors.

Both appointments are effective 20 January 2023.

Austin CEO and Managing Director, David Singleton, said:

"We are very pleased to strengthen the capabilities of our executive team with these two appointments, which will drive the next and substantial phase of our growth plan. We have made big strides across all business units over the last year and a half, with focused attention on our Australian and Indonesian businesses. We are very pleased to appoint Graham to develop and roll out a new growth strategy in North America. It is our second biggest market, and we are seeing substantially improved profitability and growth opportunity ahead. Central to that focus will be deploying more products developed in Australia into that region.

“We warmly welcome Vincent to the team as our new Chief Operating Officer. Vincent brings added capability to Austin through his diverse range of international experience in growing companies. We look forward to his contribution to Austin as we continue to grow our global business.”

Mr D’Rozario has been issued 5,000,000 options under terms of his appointment.

Further details are outlined in Appendix A to this announcement.

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A Mainetec dipper bucket of the type now being offered in the Americas.

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Announcement Authorisation

This announcement was authorised by the CEO of Austin and is not market sensitive.

About Austin Engineering

Austin is a global engineering company. For over 50 years, Austin has partnered with mining companies, contractors and original equipment manufacturers to create innovative engineering solutions that deliver productivity improvements to their operations.

Austin is a market leader in the design and manufacture of loading and hauling solutions, including off-highway dump truck bodies, buckets, water tanks and related attachments, supporting both open-cut and underground operations. Complementing its proprietary product range are repair and maintenance services performed in our workshops and on clients' mine sites, and spare parts.

Through Austin's own design and engineering IP and range of tailored products, it delivers solutions for all commodity applications and drives increased efficiencies in productivity and safety in both open cut and underground mining operations.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end user, reducing fuel usage per material carried.

The Company is headquartered in Perth and has operations around the world in Australia, USA, Chile and Indonesia serving many of the major mining sites in the world both directly and through local partners.

APPENDIX A: Summary of options issued to Mr D’Rozario

As part of Mr D’Rozario’s remuneration package, and to incentivise performance and to encourage retention, the Company has today issued 5,000,000 options to Mr D’Rozario under the Company’s Incentive Option Plan.

The options have an exercise price of \$0.35 and an expiry date of three years and three months after the date of issue. The options are divided into nine tranches as set out in the table below and are subject to two separately considered performance conditions relating to retention¹ and share price performance².

		Share Price Hurdle			Total
		45 cents	55 cents	65 cents	
Retention Dates	4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	1,666,666
	4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	1,666,667
	4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	1,666,667
Total		1,530,000	1,620,000	1,850,000	5,000,000

Once the options become capable of exercise, they can be exercised in the traditional manner (i.e. by paying the exercise price in cash) or by way of “cashless exercise”.

The Company also has the right, in its absolute discretion, to elect to “cash settle” some or all the options exercised by Mr D’Rozario.

¹ Mr D’Rozario must remain in the employ of the Company and must not have resigned or been given notice of termination, on the relevant Retention Date (set out in the table) for each tranche of options.

² The Company’s 60-day volume weighted average price must meet or exceed the relevant Share Price Hurdle (as set out in the table) relating to the relevant tranche of options. In relation to all nine tranches of options, the Share Price Hurdle can be met at any point between 4 January 2023 and 4 January 2026. Provided the relevant Share Price Hurdle has been met at any point during this period, this vesting condition will be satisfied in respect of the relevant tranche.